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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 30, 2011

Russ Conn
Lance/Conn LLC.
PO Box 923
Duchesne, Utah 84021

Subject: Final Approval of Permit Transfer, Lance/Conn LLC, Castle Peak Project, S/013/0011, Duchesne County, Utah

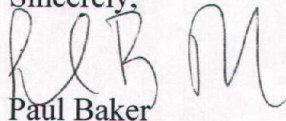
Dear Mr. Conn:

On March 29, 2011, the Associate Director of Mining approved the replacement surety and reclamation contract for the Transfer of Notice of Intention (NOI) for the Castle Peak Project from Castle Peak Exploration LLC to Lance/Conn LLC. You are now solely responsible to conduct mining and reclamation operations as outlined in the approved NOI. Castle Peak Exploration LLC is hereby released from any further reclamation liability under this permit.

You may, at any time submit a notice to amend/revise any portion of the approved NOI. Please use form (MR-REV (SMO/EXP) located on the Division's website www.ogm.utah.gov/minerals. You may not implement these changes until you receive Division approval of the amended/revise NOI.

Thank you for patience in completing this permit transfer. Please refer to file S/013/0011 in any correspondence regarding this operation. If you have questions regarding this letter, please contact me at 801-538-5261 or Leslie Heppler at 801-538-5257.

Sincerely,



Paul Baker
Minerals Program Manager

PBB:lah:eb

Enclosure: Replacement pages & Reclamation Contract

cc: Mark Neilson - Castle Peak Exploration LLC

SITLA - WStokes@utah.gov Duchesne County - mhyde@co.duchesne.ut.us

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